

NAPTP 2011 MLP Investor Conference

May 25, 2011

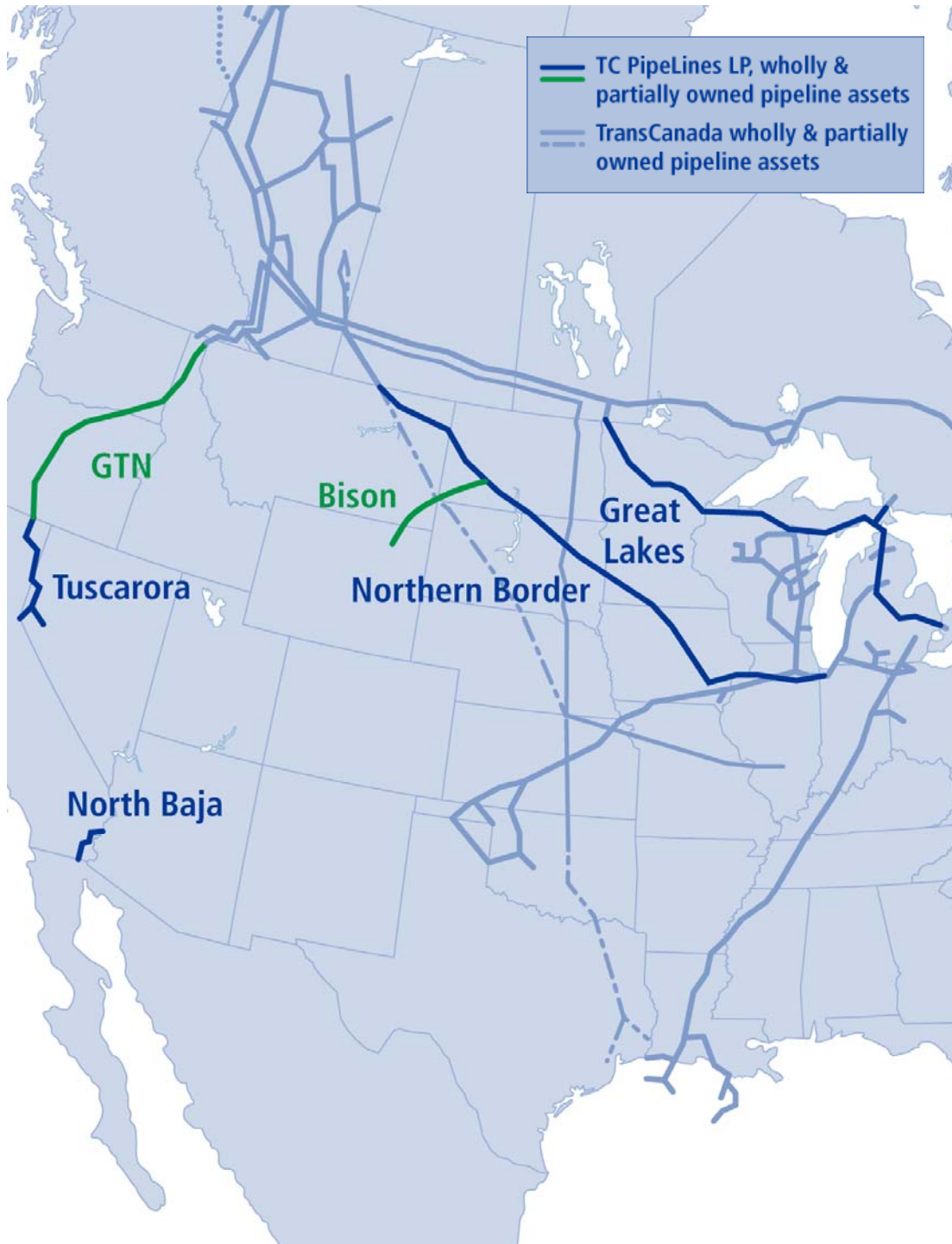
Steve Becker, President



Forward Looking Information



This presentation may include forward-looking statements regarding future events and the future financial performance of TC PipeLines, LP. Words such as “believes,” “expects,” “intends,” “forecasts,” “projects,” and similar expressions identify forward-looking statements. All forward-looking statements are based on the Partnership’s current beliefs as well as assumptions made by and information currently available to the Partnership. These statements reflect the Partnership’s current views with respect to future events. The Partnership assumes no obligation to update any such forward-looking statement to reflect events or circumstances occurring after the date hereof. Important factors that could cause actual results to materially differ from the Partnership's current expectations include our ability to identify, negotiate and finance potential business opportunities, market conditions, and other risks inherent in an investment in us as discussed in the Partnership’s filings with the Securities and Exchange Commission, including the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2010 and the Partnership’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011.



TC PipeLines, LP (TCLP)

Natural Gas Pipelines

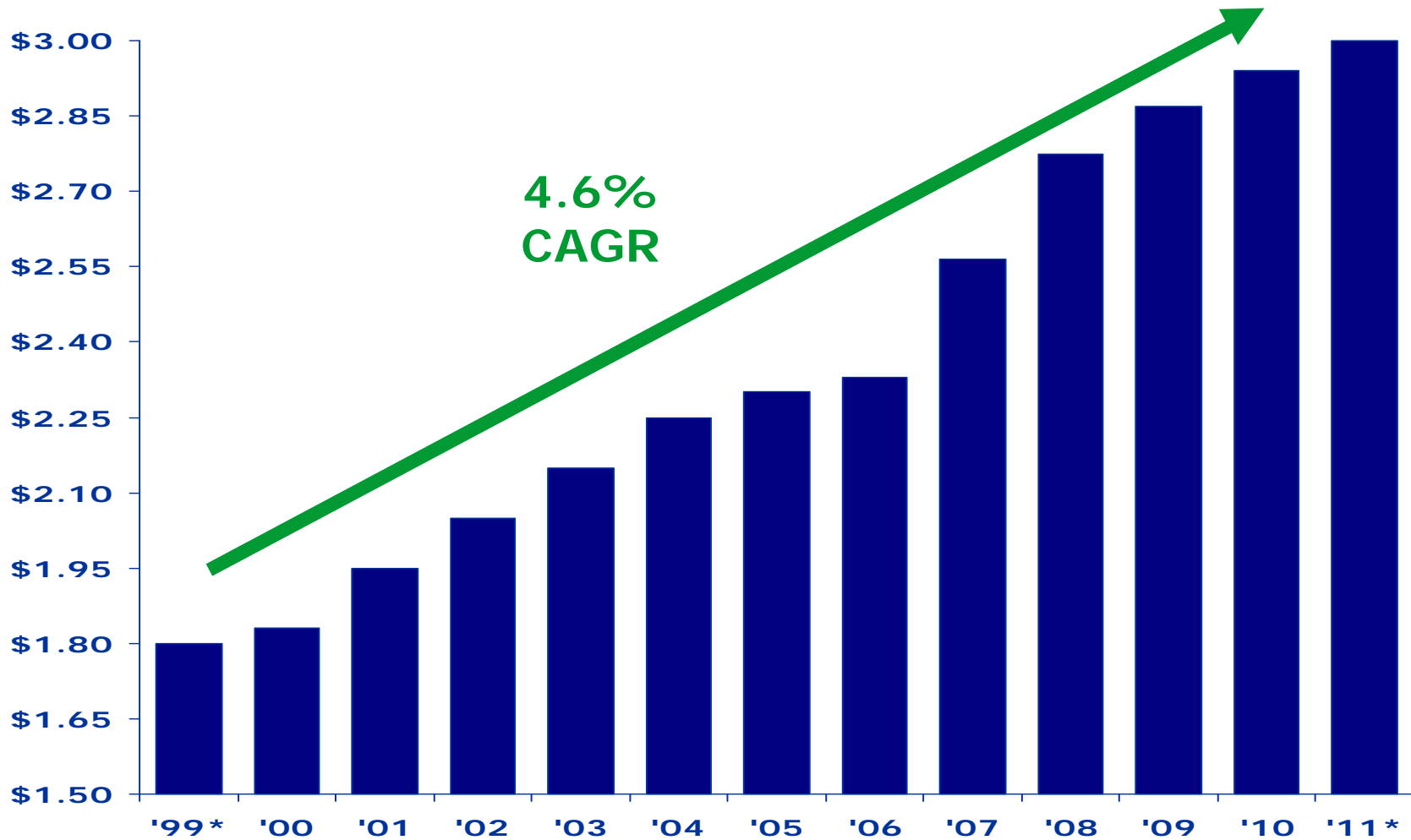
- Essential infrastructure
- Interests in 6 pipelines with 8.9 Bcf/d of capacity
- FERC regulated with fee-based revenues

Strong Sponsor in TransCanada Corporation (NYSE:TRP)

- Owns general partner
- Owns 33% of partnership units
- Operates assets

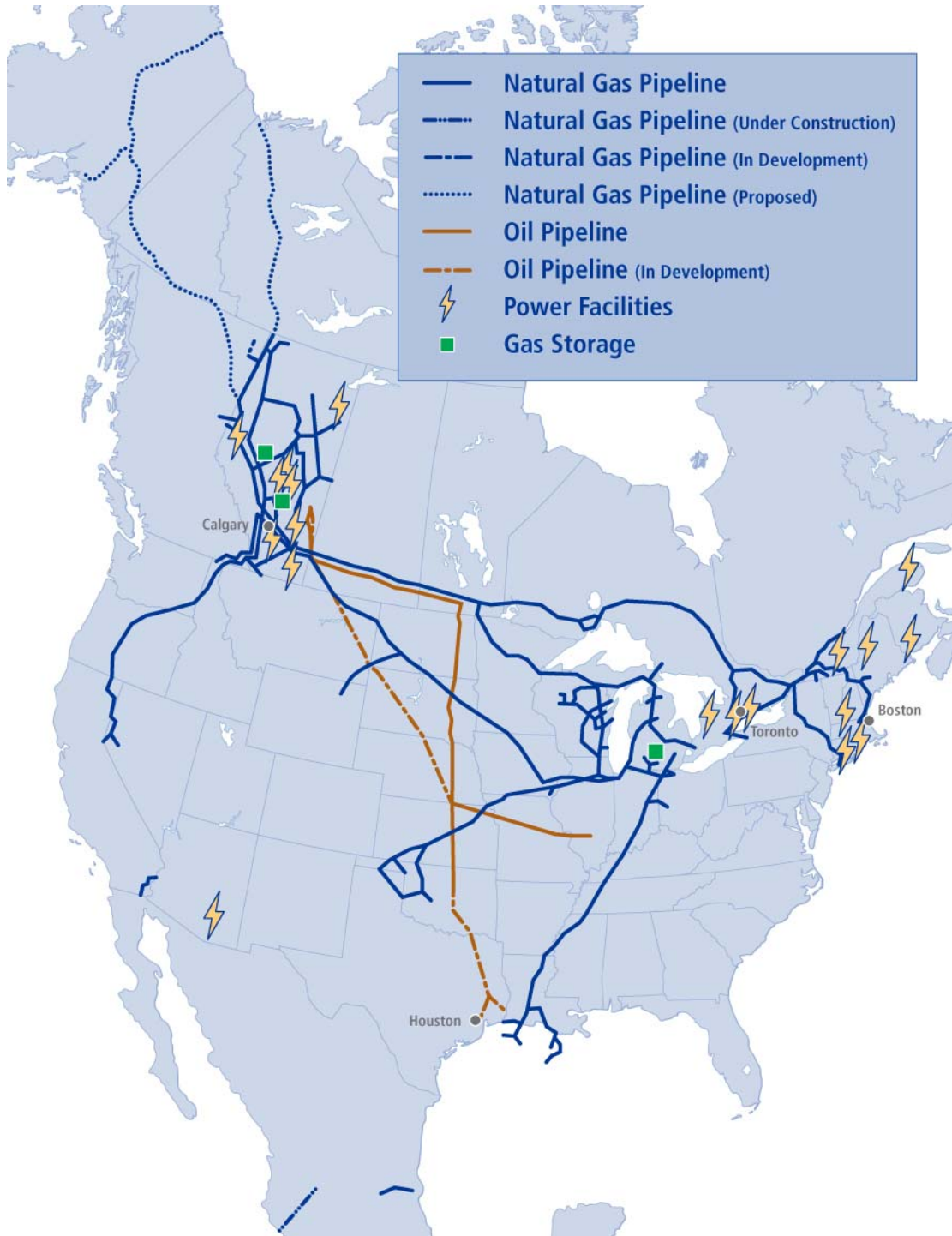
Strong Financial Flexibility & Liquidity

12 Years of Stable and Growing Cash Distributions



67% increase since inception

* Pro-rated for full year



Our Sponsor, TransCanada Corporation

North America's Largest Natural Gas Pipeline Network

- 35,500 miles wholly-owned
- 7,000 miles partially-owned
- Average volume of 14 Bcf/d

North America's 3rd Largest Natural Gas Storage Operator

- 380 Bcf of capacity

Canada's Largest Private Sector Power Generator

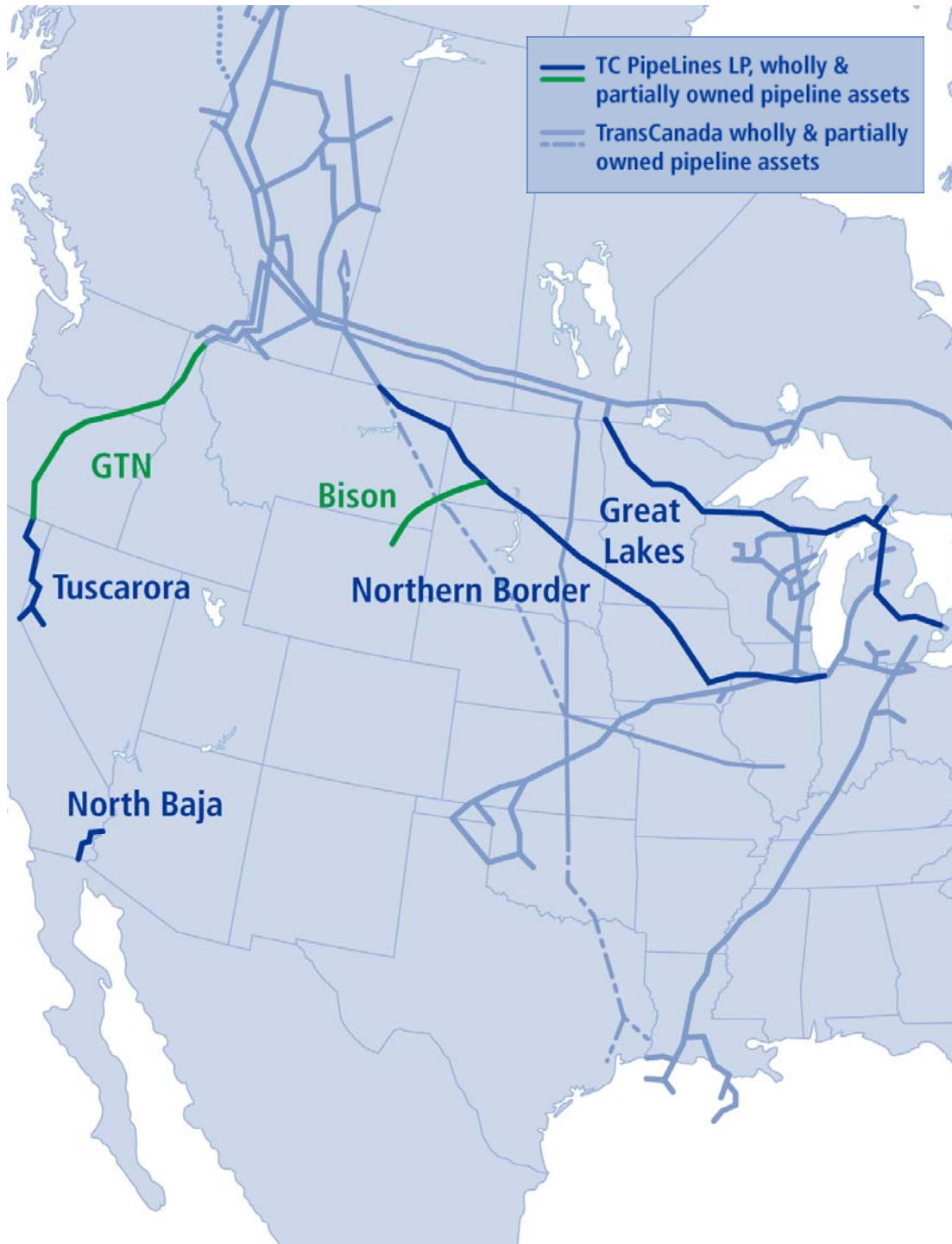
- 19 power plants, 10,800 MW

Premier North American Oil Pipeline

- 1.1 million Bbl/d

Enterprise Value ~ \$50 billion

TC PipeLines Investment Portfolio



Mid-West Pipelines

- Northern Border (50% interest)
- Great Lakes (46.45% interest)
- **Bison (25% interest)***

West Coast Pipelines

- **GTN (25% interest)***
- North Baja (100% Interest)
- Tuscarora (100% Interest)

*** GTN and Bison interests acquired on May 3, 2011**

GTN & Bison Acquisition Overview



Acquired from TransCanada a 25% ownership interest in both:

- Gas Transmission Northwest LLC (GTN), and
- Bison Pipeline LLC (Bison)

\$605 million aggregate purchase price

- \$405 million for GTN, reflects \$81 million of GTN debt
- \$200 million for Bison
- Transaction closed on May 3, 2011

Financing of GTN & Bison Acquisition



	<u>\$ millions</u>
Cash required at closing	
Purchase price	605
GTN debt	<u>81</u>
Net cash requirement	\$524
Financing	
Equity issue	338
• 7.245 million new units, GP portion \$7 million	
Interim financing	
• Bridge loan	61
• Draw on \$250 million credit revolver	<u>125</u>
Total source of funds	\$524

Plans underway to put longer term debt financing in place

Expect acquisition to be accretive to cash flow and earnings

Acquisition Highlights



GTN and Bison provide:

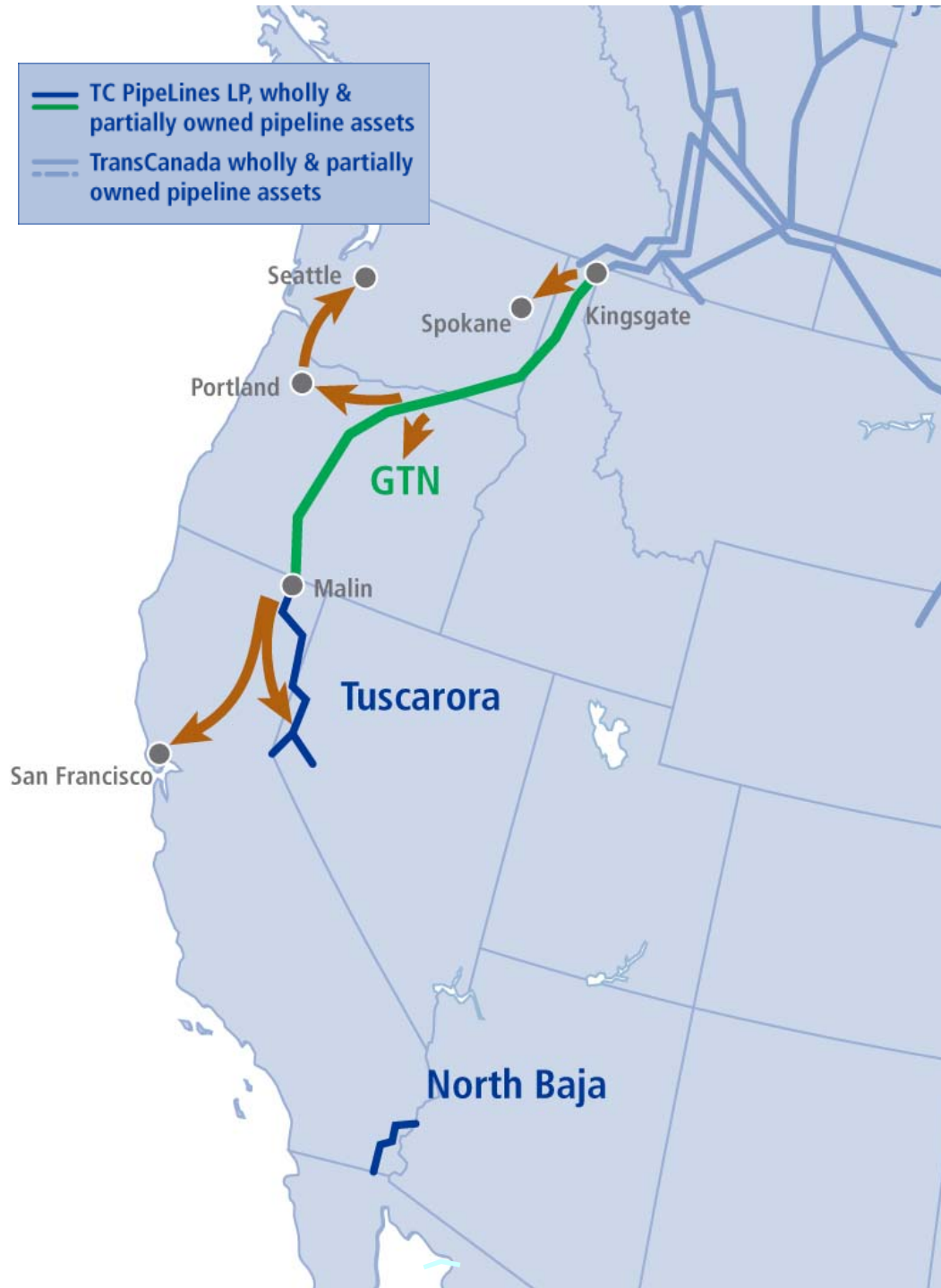
- Sustainable cash flows and earnings underpinned by long-term contracts
- Gas supply and market diversity
- Growth potential from lateral and compression expansions

TC PipeLines' portfolio impact:

- Increases overall contracted revenue percentage
- Increases to six FERC regulated interstate natural gas pipelines

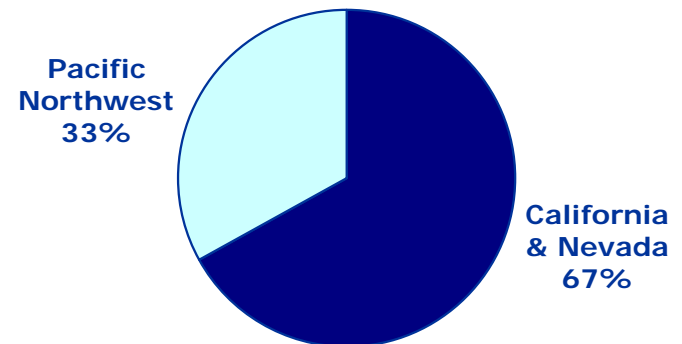
Partnership continues to be an attractive financing option for TransCanada

GTN Pipeline System



- Acquisition price \$405 million
- Q1 2011 EBITDA of \$11.25 million (25% interest)
- 1,353 mile transmission system, FERC regulated
- Design Capacity of 2.9 Bcf/d
- 1.5 Bcf/d of long-term contracts that mature between 2015 and 2028
- Desirable customer mix

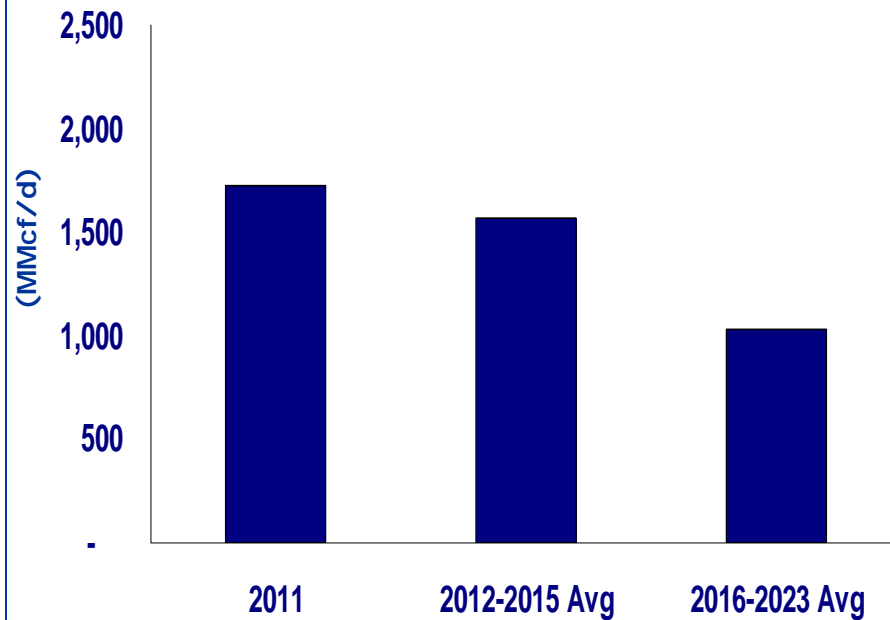
Market Volume Demand Mix



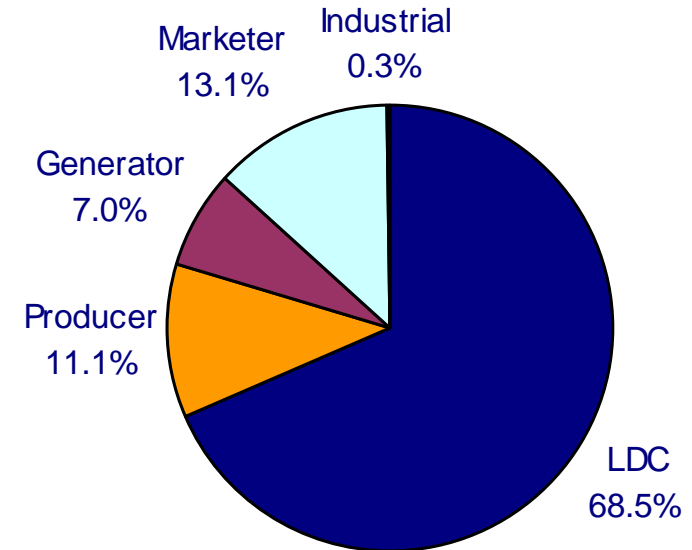
GTN Long-Term Contract Profile and Customer Mix



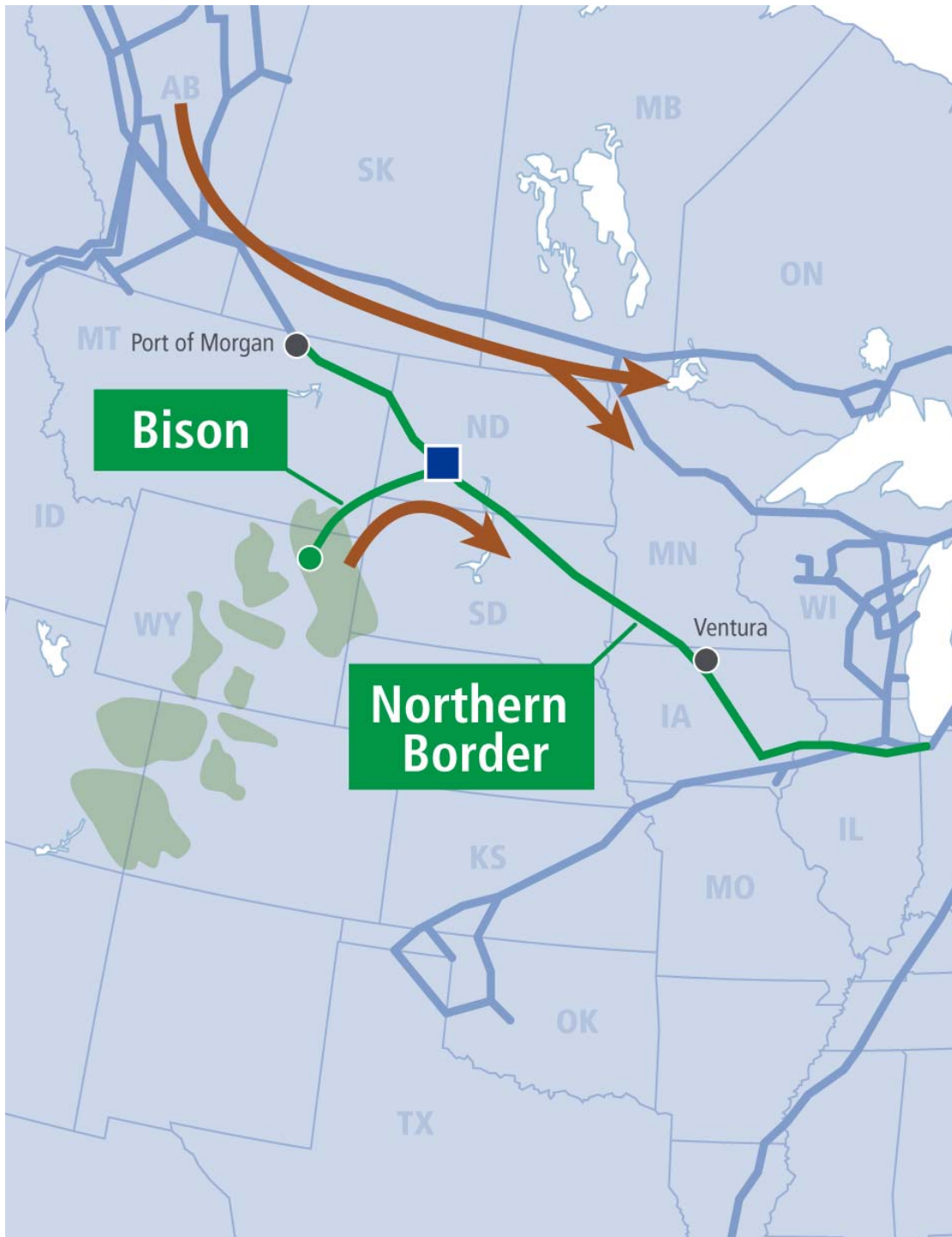
Long-Term Contract Profile



Contracted Customer Mix



LDCs are stable and secure customers that need contracts to ensure they can meet demands during peak loads



Bison Pipeline

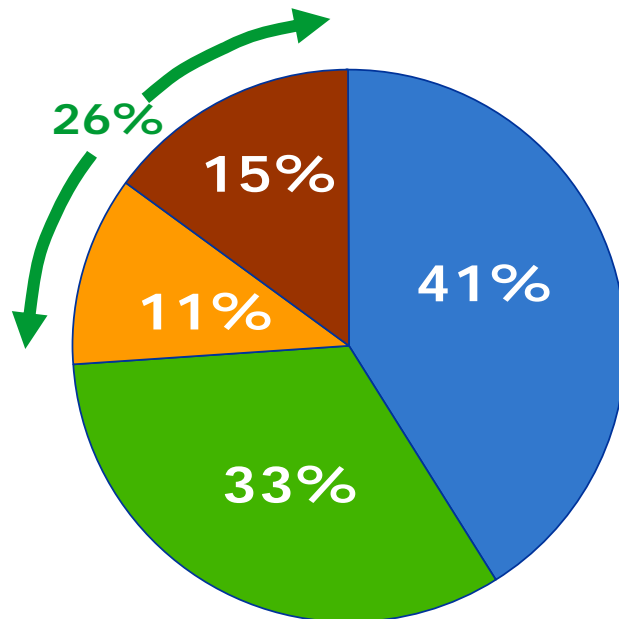
- Acquisition price \$200 million
- Estimated FY 2011 EBITDA of \$16 million (25% interest)
- 303 mile FERC regulated interstate natural gas pipeline
- In service Jan 14, 2011
- Pipeline capacity of 0.4 Bcf/d
- 10 year contracts for essentially all of its capacity with 4 shippers
- Cost effective expandability through additional compressor stations

Portfolio Diversification



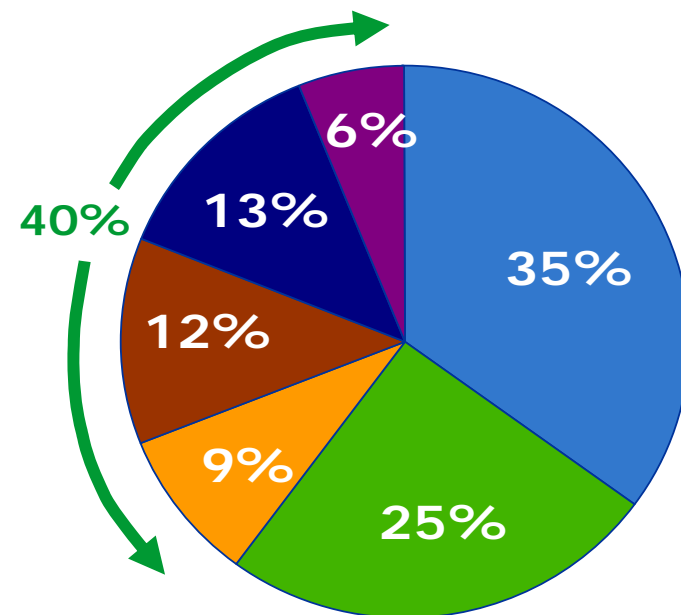
Before

2010 Partnership Cash Flows



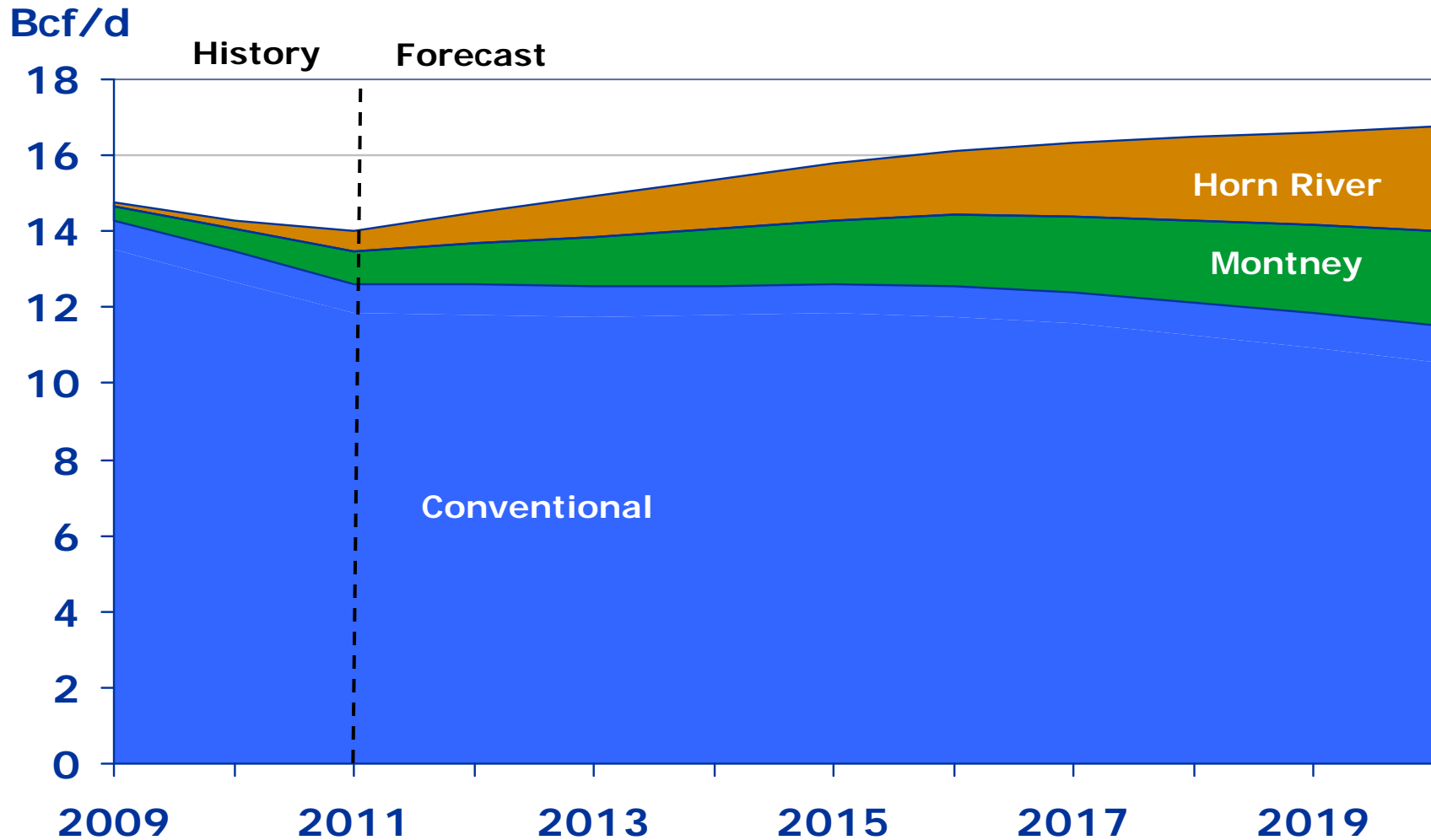
After

2011E Partnership Cash Flows

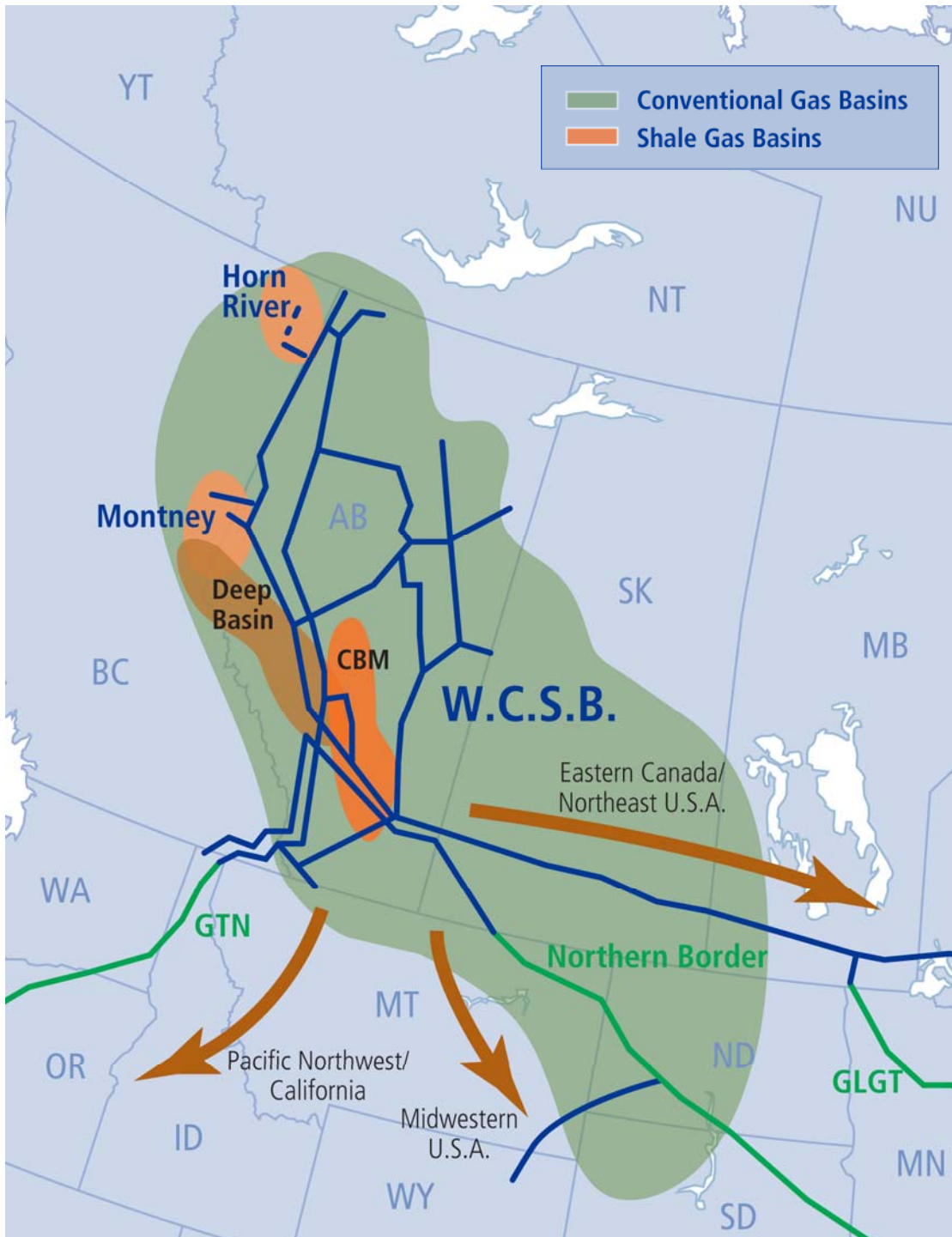


***Increased Long Term Contracted
Cash Flows From 26% to 40%***

Western Canada Sedimentary Basin Production



Source: TransCanada



TransCanada Connecting B.C. Shale

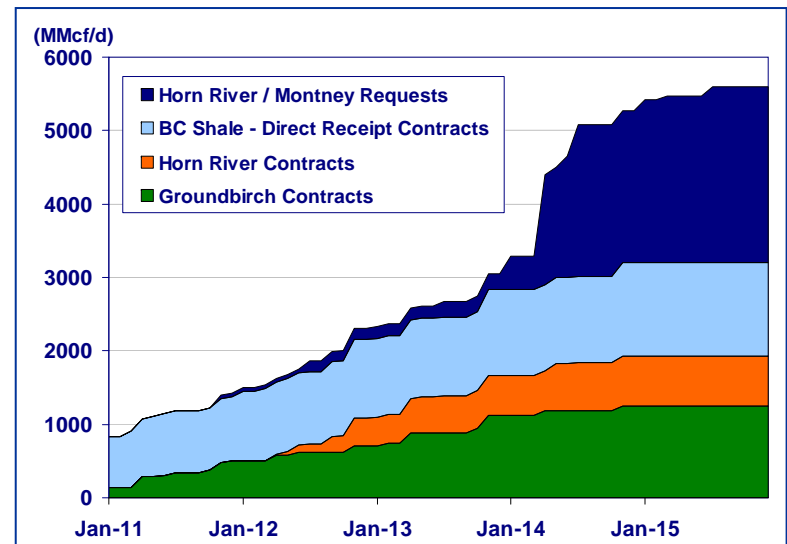
Groundbirch Project

- Commitments for 1.24 Bcf/d by 2014
- In-service December 2010

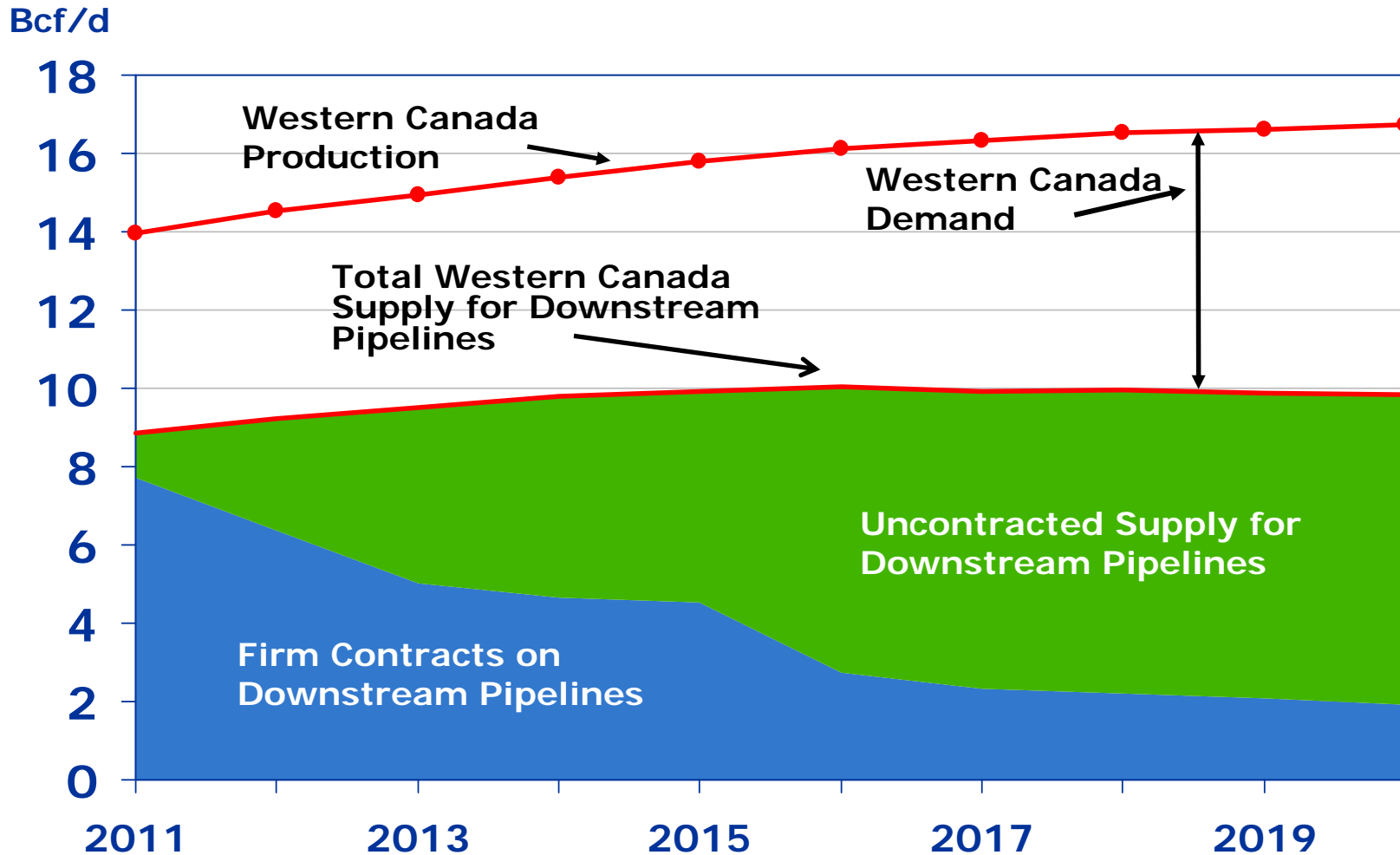
Horn River Project

- Commitments for 689 MMcf/d by 2014
- In-service Q2 2012

Direct receipt contracts and additional requests for transportation of ~ 3.7 Bcf/d



Western Canada Production, Demand and Supply for Downstream Pipelines



Northern Border, Great Lakes, and GTN are well positioned to capture uncontracted supply

Future Growth Opportunities



Accessing New Supplies:

- Powder River Basin, along with Bakken, Horn River, Montney & Collingwood shale plays

Pipeline Expansions/Extensions

- Northern Border's Princeton lateral – Q4 2011 in service
- Bison opportunities

Third Party Acquisitions

- Opportunistic and disciplined
- Look for assets that complement existing asset base

Drop-Down Opportunities from Our Sponsor TransCanada

- Half way through their \$20B capital program

TC PipeLines, LP - Investment Highlights



History of Providing Stable and Growing Cash Distributions

- 12 years of growing distributions
- Solid cash distribution coverage ratio

Investments in Low-Risk Energy Infrastructure Assets

- Six FERC regulated interstate natural gas pipelines



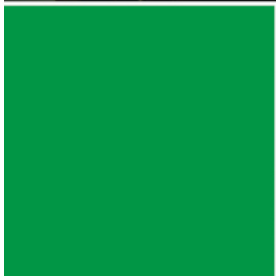
Strong Stewardship from Sponsor TransCanada

- North America's largest natural gas pipeline operator
- 33.3% ownership in TCLP
- Operates the TCLP's assets
- Future potential drop-downs to the LP as a means to fund TransCanada's capital program



Future Growth Opportunities

- Opportunistic when looking at acquisition growth and organic expansions
- Strong financial flexibility and liquidity



NAPTP 2011 MLP Investor Conference

May 25, 2011

Steve Becker, President

